

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Petition of AT&T Inc. for Forbearance)	WC Docket No. 07-139
Under 47 U.S.C. § 160(c) from)	
Enforcement of Certain of the)	
Commission's ARMIS Reporting)	
Requirements)	

Comments of the
New Jersey Citizen Action

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Please accept this letter submitted on behalf of New Jersey Citizen Action (“NJCA”) in opposition to AT&T seeking forbearance from enforcement of certain Automated Reporting Management Information System (“ARMIS”) reporting requirements. AT&T requested forbearance from Commission rules that require AT&T’s Incumbent Local Exchange Carrier affiliates to file ARMIS Reports 43-05 (Service Quality Report), 43-06 (Customer Satisfaction Report), 43-07 (Infrastructure Report), and 43-08 (Operating Data Report) (“AT&T Petition”). On June 6, 2008, the Commission extended the one year ruling period concerning this docket and extra 90 days. Unless the Commission rules to deny AT&T’s forbearance petition by September 6, 2008, AT&T’s petition for forbearance will be granted¹.

NJCA is New Jersey’s largest independent consumer watchdog coalition, representing over 60,000 individual members and over 110 affiliated senior citizen, disability, tenant, labor, faith-based, environmental, civic and community organizations. Throughout our 26 year history, NJCA has fought hard to ensure affordable and reliable telecommunication service for our state’s ratepayers. While the petitioner, AT&T, is not an ILEC in the state of New Jersey, NJCA is deeply concerned that if this petition is granted, New Jersey ILECs will seek similar forbearance to the detriment of our state’s telecommunication consumers and that NJCA’s ability to compare the service quality and customer satisfaction of our state’s ILEC’s with the performance of ILECs in other states will be diminished. Therefore, NJCA urges the Commission to deny the AT&T Petition.

¹ Federal Communications Commission, Wireline Competition Bureau Chief Order, I/M/O Petition of AT&T Inc. For Forbearance Under 47 U.S.C. § 160(c) From Enforcement of Certain of the Commission’s ARMIS Reporting Requirements, WC Docket No. 07-139, June 6, 2008.

There are also many compelling reasons for the Commission to continue to require filing of service quality and customer satisfaction reports (reports 43-06 and 43-07, collectively “service quality reports”) to protect consumers and serve the public interest. Public disclosure of service quality information is an important consumer safeguard as free markets function best when consumers have access to comprehensive information about the goods and services they are purchasing, including the quality of service provided. Second, the evidence demonstrates – contrary to AT&T’s assertion – that today’s competitive conditions have not resulted in “constantly improving service quality” for all consumers. The FCC’s most recent service quality report indicates a disturbing increase in repair intervals by the largest carriers, and state commissions continue to cite carriers for serious deterioration of service. Third, the Commission’s service quality reports continue to provide the Commission, state regulators, carriers, and consumer and public interest organizations with a uniform, cost-efficient framework for data reporting that allows comparison over time and between companies and states.

Because there is simply no alternative to the ARMIS service quality data, the Commission should deny AT&T’s Petition which would cause irreparable harm to consumers.

In addition, AT&T has failed to prove that competitive market conditions render public disclosure of service quality information obsolete. As the Commission itself noted when it last considered revisions to its service quality reporting rules, public disclosure of service quality data plays an important role even in a competitive environment.

“We believe that even in a robustly competitive environment, public disclosure of quality of service information can be an important way to safeguard consumer interests. We are committed to maintaining and, when possible, improving the traditionally high level of service quality enjoyed by American consumers...”²

“As we have recognized in our other recent consumer protection proceedings, the effective functioning of competitive markets is predicated on consumers having access (whether mandated access or access that arises voluntarily) to accurate, meaningful information, in a format they can understand.”³

“Information about service quality, like price, can and does have an effect on consumer purchasing decisions. Moreover, as we move into an era of multiple service providers and long-term service contracts, public availability of service quality information serves important consumer protection functions.”⁴

“In various contexts, we have recognized the importance of information for a market to function efficiently. If consumers receive only limited information, the market will not function efficiently and consumers likely will not receive the quality they prefer. We hope to facilitate market efficiency by ensuring that consumers have the information they need to make informed buying decisions.”⁵

State regulators agree. In comments filed in the aforementioned proceeding, numerous state Commissions, the National Association of Regulatory Commissioners (“NARUC”), and the federal government’s General Services Administration (GSA) all supported the Commission’s ARMIS service quality reporting program.⁶ As a result, the

² ARMIS 43-05 and 43-06 NPRM, 6.

³ *Id.*, 11.

⁴ *Id.*

⁵ *Id.*, 45.

⁶ In addition to NARUC and the GSA, state regulatory authorities from Maryland, Michigan, Wyoming, Indiana, Ohio, Texas, Illinois, Wisconsin, and Florida submitted comments in the support of continued FCC ARMIS service quality reporting, and no state commissions submitted comments that favored elimination of the service quality reporting requirements. See various comments and reply comments, *In the Matter of 2000 Biennial Regulatory Review – Telecommunications Service Quality Reporting Requirements*, Notice of Proposed Rulemaking, CC Docket No. 00-229.

Commission abandoned any proposals to dilute ARMIS service quality reporting requirements.

There continues to be a need for regulators to monitor service quality. AT&T erroneously asserts, that “all providers in today’s robustly competitive marketplace are forced by competition to constantly improve service quality.”⁷ To the contrary, some providers have responded to growing competition in local telecommunications markets by directing capital and human resources precisely to those markets where competition is most intense – the market for high-end business and residential customers. At the same time, these same providers are redlining customers that generate less revenue and where there is little if any competitive choice. In these latter markets and for these customers, market forces.

In addition, the FCC ARMIS service quality data is not “outmoded,” nor has it outlived its usefulness. NJCA, state regulators, and other parties rely upon this information for many benchmarking and monitoring purposes. There is simply no comparable national data source. Not all states collect the data in the ARMIS reports, and all too many states do not make the data they do collect publicly available. As a standardized, national data set, the ARMIS mechanism minimizes cost to carriers, while providing useful information for comparison across time, companies, and states.

The Commission has created a consumer-friendly interface on the worldwide web to allow consumers, public interest groups, state regulators, and other interested parties easy access to the ARMIS data. Within a matter of minutes, users can query the database by reporting company, holding company, state, year, and type of customer to get answers to

⁷ AT&T Petition, 10.

questions regarding customer complaints, repair intervals, trouble reporting, and other important information.

In summary, NJCA urges the Commission to reject AT&T's petition to forbear from ARMIS service quality reporting requirements. The economic theory of competition as well as the reality of deteriorating service underscores the continuing importance of such information provided to the Commission and, thus, the public. The primary rationale for the "relaxation" of service quality reporting requirements rests on the erroneous belief that the "invisible" hand of competition will force companies to improve service quality. But competition cannot protect customers from a lack of adequate information. Consumers continue to need objective data to obtain a full picture of the level of service quality actually delivered by different carriers.

Moreover, markets can only function efficiently when comprehensive information is readily available to consumers. When this occurs, consumers are able to maximize their utility because they are able to make rational, fully informed decisions. However, when consumers are not fully informed they can and will make less than optimal decisions. In these cases, markets will not function efficiently. Granting AT&T's Petition would reduce the information available to consumers and inhibit the ability of consumers to maximize their utility. In such instances, consumers could make less than optimal decisions causing imperfections in the market. This, in turn, will send false signals to carriers about consumer decisions and their concerns about service quality.

Telecommunications act as the lifeline between the home, the office, the home-office and the outside world. If selected companies opt to provide inadequate service quality,

public safety goals such as ensuring access to enhanced emergency service and continuing emergency access may be jeopardized. Public safety agencies rely upon the public switched network and even upon basic exchange service to provide public safety services. Conversely, consumers rely on properly working phones to contact public safety answering points. The public collection of service quality information will help assure the timely provision and repair and the high level of service reliability – by all providers – that is needed to promote public safety.

There are few, if any, non-regulatory incentives for carriers – whether in competitive or non-competitive markets - to supply service quality information to the public. The provision of such information at the state level is uneven: some states collect and release such data, other states collect and do not release the data and other states do not even regulate service quality. In all cases, the FCC is the only national source for service quality information. Consumers and other interested parties depend upon the FCC data to inform themselves and the public at large about the actual level of service quality delivered to consumers. This information is needed to understand the condition and trend of service quality within a particular carrier and to enable comparisons between carriers. NJCA strongly urges the FCC to reject AT&T's Petition.

Respectfully Submitted,

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